

Page 11, replace the first paragraph of the Product Overview section with the following:

-Fig 1 shows how a Secondary Loss Expense Contract's premiums and the losses may be related to the premiums paid for and the losses recovered under an insurance contract. It also shows the various parties to these contracts. An insured **4** has an insurance policy **6** with an insurer **8**. A coverage buyer **10** may be the insured or another entity that has an interest in the well-being of the insured, such as a customer of the insured. The coverage buyer may desire to buy loss protection via the Secondary Loss Expense Contract **12**.

Page 15, replace the paragraph labeled Additional Embodiments with the following:

- Although the basic methodology for Secondary Loss Expense Coverage remains the same as described above, there are numerous embodiments of this concept. This method can be applied to all types of insurance policies including property, casualty, health, and life insurance. Secondary Loss Expense Coverage can be offered by both primary insurers and third parties such as other insurers, banks, or other types of entities. Furthermore, Secondary Loss Expense Coverage can be offered in the form of an insurance policy or take many other contract forms. Secondary Loss Expense Coverage may be offered in amounts that are directly proportional or indirectly related to the premiums paid and the losses that are recovered from an underlying insurance policy. Moreover, a Secondary Loss Expense Contract may be constructed so that its premium bears no functional relationship to the premium of the insurance policy used to determine the contract's losses because the Secondary Loss Expense Contract's premium is determined by using some other underwriting methodology.